



## Midwest Information Office

For release: 7:30 A.M. CT, Friday, February 19, 2010

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Exhibit 2.16

Docket No. 3720-WR-107

Witnesses: Eric Rothstein

May 14, 2010

Public Service Commission of Wisconsin  
RECEIVED 05/14/10, 11:56:08 AM

### CONSUMER PRICE INDEX MILWAUKEE-RACINE, WIS. CMSA SECOND HALF 2009 SEMIANNUAL AVERAGES AND 2009 ANNUAL AVERAGES

Retail prices in the Milwaukee-Racine area were up 2.0 percent in the second half of 2009 compared with their levels in the first half of 2009, according to a report issued today by the U.S. Bureau of Labor Statistics. The second half 2009 Milwaukee-Racine all items Consumer Price Index for All Urban Consumers (CPI-U) was 204.999 (1982-84=100). By comparison, retail prices gained 1.1 percent in the second half of 2008 and 1.5 percent in the second half of 2007.

On an annual average basis, retail prices for goods and services in the Milwaukee area were unchanged in 2009 compared with their 2008 averages. In 2009, declines in the energy related categories of gasoline and utility (piped) gas service offset increases among other major consumer expenditure categories, commented Jay A. Mousa, regional commissioner for the Bureau in Chicago. When the effects of the declining energy categories are removed, the all items index rose 2.3 percent in 2009.

The transportation component decreased 9.5 percent in 2009, turning around a 6.9 percent increase in 2008. Lower gasoline prices were the primary contributor to the 2009 annual decrease, falling 27.7 percent over the year. In 2008, gasoline prices in the Milwaukee area rose 14.4 percent.

The housing component was essentially unchanged during 2009. By comparison, a gain of 3.9 percent was recorded in 2008. Among the three primary categories that make up the housing component, shelter prices increased 1.2 percent, costs for fuels and utilities fell 7.7 percent, and prices for household furnishings and operations were unchanged. Within the fuels and utilities category, electricity costs rose 4.3 percent while prices for utility (piped) gas service fell 28.5 percent.

The food and beverages component posted an annual gain of 1.9 percent, less than the 4.8 percent increase reported in 2008. Grocery food costs (food at home index) rose 0.6 percent in 2009, less than the 5.5 percent advance in 2008. The food away from home index (restaurant, cafeteria, and vending machine purchases) increased 3.0 percent in 2009, less than the 4.9 percent rise in 2008. Alcoholic beverage prices were up 1.6 percent in 2009 after rising 1.8 percent in 2008.

The education and communication component was up 4.0 percent in 2009. This was above the 3.6 percent increase recorded in 2008. The cost of medical care in the Milwaukee area increased 6.8 percent in 2009. This compares with gains of 4.4 and 3.0 percent recorded in 2008 and 2007, respectively.

Apparel prices were up 1.8 percent in 2009. This was less than the 4.3 percent increase reported in 2008. The recreation component increased 2.0 percent in 2009, less than the 2.5 percent increase in 2008.

The other goods and services component, which includes items like tobacco and personal care items, rose 9.2 percent in 2009 after rising 9.9 percent in 2008.

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**Consumer Price Index - Indexes for semiannual averages and percent changes for selected periods.  
Milwaukee-Racine, Wis. CMSA (1982-84=100 unless otherwise noted)**

Item and Group	Semiannual average indexes			Percent change to 2nd half 2009 from -		Annual Average 2009	Percent change to 2009 from 2008
	2nd half 2008	1st half 2009	2nd half 2009	2nd half 2008	1st half 2009		
Expenditure category							
All Items	204.103	200.999	204.999	0.4	2.0	202.999	0.0
All items (1967=100)	630.394	620.808	633.164	-	-	626.986	-
Food and beverages	218.026	218.956	218.484	.2	-.2	218.720	1.9
Food	221.415	222.314	221.342	.0	-.4	221.828	2.0
Food at home	224.184	223.013	219.204	-2.2	-1.7	221.109	.6
Food away from home	219.213	221.945	223.968	2.2	.9	222.957	3.0
Housing	199.252	197.380	198.503	-.4	.6	197.941	-.1
Electricity	171.739	174.784	175.458	2.2	.4	175.121	4.3
Utility (piped) gas service	193.944	149.526	133.776	-31.0	-10.5	141.651	-28.5
Apparel	120.033	120.365	122.065	1.7	1.4	121.215	1.8
Transportation	187.940	166.013	178.169	-5.2	7.3	172.091	-9.5
Gasoline (all types)	274.969	190.310	225.257	-18.1	18.4	207.784	-27.7
Medical Care	346.580	362.220	375.558	8.4	3.7	368.889	6.8
Recreation (1)	107.057	108.011	109.648	2.4	1.5	108.829	2.0
Education and communication (1)	127.439	128.648	131.585	3.3	2.3	130.117	4.0
Other goods and services	329.795	348.456	365.530	10.8	4.9	356.993	9.2
Energy	224.672	178.346	190.606	-15.2	6.9	184.476	-19.6
All items less energy	203.801	205.356	208.389	2.3	1.5	206.872	2.3
All items less food and energy	201.618	203.287	206.997	2.7	1.8	205.142	2.3

## Footnotes

(1) Indexes on a December 1997=100 base.

- Data not available

NOTE: Index applies to a month as a whole, not to any specific date.

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Scheduled release date for the First Half 2010 CPI: Friday, August 13, 2010

**Milwaukee-Racine, Wis. Combined Metropolitan Statistical Area (CMSA)** includes Milwaukee, Ozaukee, Racine, Washington, and Waukesha Counties in Wisconsin.

## BRIEF EXPLANATION OF THE CPI

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 87 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 32 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Prices are collected in 87 urban areas across the country from about 50,000 housing units and approximately 23,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase

and use of items are included in the index. Prices of food, fuels, and a few other items are obtained every month in all 87 locations. Prices of most other commodities and services are collected every month in the three largest geographic areas and every other month in other areas. Prices of most goods and services are obtained by personal visits of the Bureau's trained representatives.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Separate indexes are also published by size of city, by region of the country, for cross-classifications of regions and population-size classes, and for 27 local areas. Area indexes do not measure differences in the level of prices among cities; they only measure the average change in prices for each area since the base period.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65.

For further details see the CPI home page on the Internet at [www.bls.gov/cpi](http://www.bls.gov/cpi) and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at [www.bls.gov/opub/hom/homch17\\_a.htm](http://www.bls.gov/opub/hom/homch17_a.htm).

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**Last Modified Date:** February 19, 2010

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